



**Application for Disbursement  
Owner/Borrower Affidavit**

State of Tennessee  
County of Williamson

Before me, the undersigned authority, on this day personally appeared Patricia Formisano who, being first duly sworn by me, upon oath deposes and says that:

1. Said Officer is duly authorized to make this affidavit and is fully cognizant of all facts and matters herein stated.
2. All funds heretofore disbursed by TriMont Real Estate Advisors, Inc., as Agent for Lehman Brothers Holdings Inc. (Lender) to Laurel Cove Development, LLC (Borrower) by TriMont, as Agent, to Borrower for use in connection with the construction of improvements have been applied to the payment of obligations due by Borrower for materials, labor, and other costs incurred in connection with such construction, or other costs approved in writing by TriMont, as Agent, and for no other purpose.
3. The attached Application for Payment and Summary Sheet for Draw #15 requesting funds in the sum of \$5,159,458.63 represents items due by Borrower for labor, materials, and other costs incurred in connection with such construction or other costs approved in writing by TriMont, as Agent.
4. All sums disbursed by TriMont, as Agent, on account of the attached Application and Summary Sheet will be used solely for the purpose of paying obligations owing by the Borrower as shown on the attached Application and Summary Sheet and for no other purpose.
5. Upon disbursement by Borrower of the funds disbursed by TriMont, as Agent, on account of the attached application and Summary Sheet, all obligations for labor, materials, and other costs heretofore incurred by Borrower in connection with such construction, or other costs approved in writing by TriMont, as Agent, and which are due and payable will be fully paid and satisfied.
6. All work and materials for which payment is requested have been performed and installed substantially in accordance with the plans and specifications, construction contracts, and there has been no material deviation from the Development Budget or the construction schedule submitted to TriMont, as Agent, by the Borrower.
7. The warranties and representations made in the various documents evidencing, governing, securing, guaranteeing or otherwise pertaining to that certain loan made to the Borrower by Lehman Brothers Holdings Inc. (the "Loan") are true and correct as of this date, such Loan is in full force and effect and no default or event of default of any party has occurred and is continuing under any homebuilder contract that would cause a Material Adverse Change.
8. No Unmatured Event of Default or Event of Default has occurred and is continuing.
9. The subject advance will not require a remargining payment pursuant to Section 2.1.8 (c)(ii).

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**Owner/Borrower Affidavit**

**Page 2**

10. All Principal Repayment Requirements to the extent due and payable have been fulfilled by Borrower.
11. If TriMont, as Agent, has not received all of the items required to be delivered to it pursuant to the Loan, the making of any disbursement by TriMont, as Agent, to the undersigned shall not be a waiver by TriMont, as Agent, of any requirement of obligation to have any such item delivered to it as provided in the Loan.
12. Affiant understands that this affidavit is made for the purpose of inducing TriMont, as Agent, to make a disbursement to Borrower, and that in making any such disbursement TriMont, as Agent, will rely upon the accuracy of the matters stated in this affidavit.
13. There are no liens of record against the properties securing the Loan or any portion thereof arising out of the supplying of labor, materials, and/or services in connection with the construction thereof.
14. No other party other than Borrower and Lehman Brothers Holdings Inc. owns or claims, or has a right to claim, any interest in or lien or encumbrance on, the properties securing the Loan, except for ad valorem taxes not due and payable, and rights to liens to be dissolved upon payment of the disbursement hereby requested.

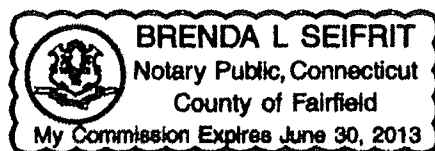
“Seal”

Subscribed and Sworn to before me this  
11 day of August, 2008.

Borrower: Laurel Cove Development, LLC

Brenda L Seifrit  
Notary Public

By Patricia Formisano  
Patricia Formisano  
Comptroller





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Owner/Borrower Affidavit**

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State of Tennessee  
County of Williamson

Before me, the undersigned authority, on this day personally appeared Patricia Formisano who, being first duly sworn by me, upon oath deposes and says that:

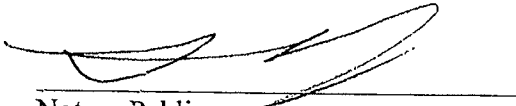
1. Said Officer is duly authorized to make this affidavit and is fully cognizant of all facts and matters herein stated.
2. All funds heretofore disbursed by TriMont Real Estate Advisors, Inc., as Agent for Lehman Brothers Holdings Inc. (Lender) to Laurel Cove Development, LLC (Borrower) by TriMont, as Agent, to Borrower for use in connection with the construction of improvements have been applied to the payment of obligations due by Borrower for materials, labor, and other costs incurred in connection with such construction, or other costs approved in writing by TriMont, as Agent, and for no other purpose.
3. The attached Application for Payment and Summary Sheet for Draw #16 requesting funds in the sum of \$5,069,485.32 represents items due by Borrower for labor, materials, and other costs incurred in connection with such construction or other costs approved in writing by TriMont, as Agent.
4. All sums disbursed by TriMont, as Agent, on account of the attached Application and Summary Sheet will be used solely for the purpose of paying obligations owing by the Borrower as shown on the attached Application and Summary Sheet and for no other purpose.
5. Upon disbursement by Borrower of the funds disbursed by TriMont, as Agent, on account of the attached application and Summary Sheet, all obligations for labor, materials, and other costs heretofore incurred by Borrower in connection with such construction, or other costs approved in writing by TriMont, as Agent, and which are due and payable will be fully paid and satisfied.
6. All work and materials for which payment is requested have been performed and installed substantially in accordance with the plans and specifications, construction contracts, and there has been no material deviation from the Development Budget or the construction schedule submitted to TriMont, as Agent, by the Borrower.
7. The warranties and representations made in the various documents evidencing, governing, securing, guaranteeing or otherwise pertaining to that certain loan made to the Borrower by Lehman Brothers Holdings Inc. (the "Loan") are true and correct as of this date, such Loan is in full force and effect and no default or event of default of any party has occurred and is continuing under any homebuilder contract that would cause a Material Adverse Change.
8. No Unmatured Event of Default or Event of Default has occurred and is continuing.
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13. There are no liens of record against the properties securing the Loan or any portion thereof arising out of the supplying of labor, materials, and/or services in connection with the construction thereof.
14. No other party other than Borrower and Lehman Brothers Holdings Inc. owns or claims, or has a right to claim, any interest in or lien or encumbrance on, the properties securing the Loan, except for ad valorem taxes not due and payable, and rights to liens to be dissolved upon payment of the disbursement hereby requested.

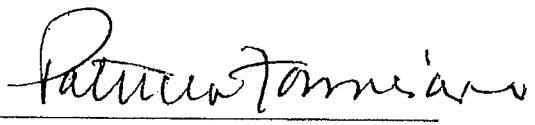
"Seal"

Subscribed and Sworn to before me this  
10<sup>th</sup> day of Sept, 2008.

  
\_\_\_\_\_  
Notary Public

**Michael D'Orlando**  
Notary Public - Connecticut  
My Commission Expires December 31, 2008

Borrower: Laurel Cove Development, LLC

By   
\_\_\_\_\_  
Patricia Formisano  
Comptroller



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State of Tennessee  
County of Williamson

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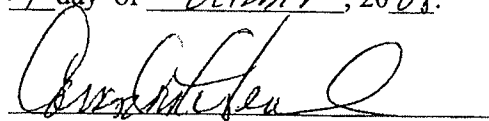
1. Said Officer is duly authorized to make this affidavit and is fully cognizant of all facts and matters herein stated.
2. All funds heretofore disbursed by TriMont Real Estate Advisors, Inc., as Agent for Lehman Brothers Holdings Inc. (Lender) to Laurel Cove Development, LLC (Borrower) by TriMont, as Agent, to Borrower for use in connection with the construction of improvements have been applied to the payment of obligations due by Borrower for materials, labor, and other costs incurred in connection with such construction, or other costs approved in writing by TriMont, as Agent, and for no other purpose.
3. The attached Application for Payment and Summary Sheet for Draw #17 requesting funds in the sum of \$5,796,671.68 represents items due by Borrower for labor, materials, and other costs incurred in connection with such construction or other costs approved in writing by TriMont, as Agent.
4. All sums disbursed by TriMont, as Agent, on account of the attached Application and Summary Sheet will be used solely for the purpose of paying obligations owing by the Borrower as shown on the attached Application and Summary Sheet and for no other purpose.
5. Upon disbursement by Borrower of the funds disbursed by TriMont, as Agent, on account of the attached application and Summary Sheet, all obligations for labor, materials, and other costs heretofore incurred by Borrower in connection with such construction, or other costs approved in writing by TriMont, as Agent, and which are due and payable will be fully paid and satisfied.
6. All work and materials for which payment is requested have been performed and installed substantially in accordance with the plans and specifications, construction contracts, and there has been no material deviation from the Development Budget or the construction schedule submitted to TriMont, as Agent, by the Borrower.
7. The warranties and representations made in the various documents evidencing, governing, securing, guaranteeing or otherwise pertaining to that certain loan made to the Borrower by Lehman Brothers Holdings Inc. (the "Loan") are true and correct as of this date, such Loan is in full force and effect and no default or event of default of any party has occurred and is continuing under any homebuilder contract that would cause a Material Adverse Change.
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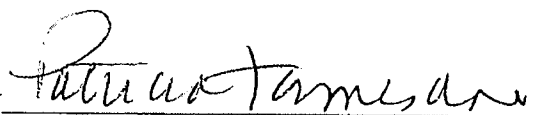
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13. There are no liens of record against the properties securing the Loan or any portion thereof arising out of the supplying of labor, materials, and/or services in connection with the construction thereof.
14. No other party other than Borrower and Lehman Brothers Holdings Inc. owns or claims, or has a right to claim, any interest in or lien or encumbrance on, the properties securing the Loan, except for ad valorem taxes not due and payable, and rights to liens to be dissolved upon payment of the disbursement hereby requested.

"Seal"

Subscribed and Sworn to before me this  
14 day of October, 2008.

  
Notary Public

Borrower: Laurel Cove Development, LLC

By   
Patricia Formisano  
Comptroller

**Cassandra M Teachman  
My Commission Expires  
August 31, 2010**



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State of Tennessee  
County of Williamson

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3. The attached Application for Payment and Summary Sheet for Draw #18 requesting funds in the sum of \$1,221,487.51 represents items due by Borrower for labor, materials, and other costs incurred in connection with such construction or other costs approved in writing by TriMont, as Agent.
4. All sums disbursed by TriMont, as Agent, on account of the attached Application and Summary Sheet will be used solely for the purpose of paying obligations owing by the Borrower as shown on the attached Application and Summary Sheet and for no other purpose.
5. Upon disbursement by Borrower of the funds disbursed by TriMont, as Agent, on account of the attached application and Summary Sheet, all obligations for labor, materials, and other costs heretofore incurred by Borrower in connection with such construction, or other costs approved in writing by TriMont, as Agent, and which are due and payable will be fully paid and satisfied.
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7. The warranties and representations made in the various documents evidencing, governing, securing, guaranteeing or otherwise pertaining to that certain loan made to the Borrower by Lehman Brothers Holdings Inc. (the "Loan") are true and correct as of this date, such Loan is in full force and effect and no default or event of default of any party has occurred and is continuing under any homebuilder contract that would cause a Material Adverse Change.
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13. There are no liens of record against the properties securing the Loan or any portion thereof arising out of the supplying of labor, materials, and/or services in connection with the construction thereof.
14. No other party other than Borrower and Lehman Brothers Holdings Inc. owns or claims, or has a right to claim, any interest in or lien or encumbrance on, the properties securing the Loan, except for ad valorem taxes not due and payable, and rights to liens to be dissolved upon payment of the disbursement hereby requested.

"Seal"

Subscribed and Sworn to before me this  
25 day of November, 2008.

*Brenda L Seifrit*  
Notary Public

Borrower: Laurel Cove Development, LLC

By *Patricia Formisano*  
Patricia Formisano  
Comptroller

